



# House of Representatives

General Assembly

**File No. 467**

February Session, 2000

House Bill No. 5750

*House of Representatives, April 6, 2000*

The Committee on Judiciary reported through REP. LAWLOR of the 99<sup>th</sup> Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***An Act Concerning Oil Supply Shortages.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 16a-22 of the general statutes is repealed and the following  
2       is substituted in lieu thereof:

3       (a) Any person engaged in the business of selling petroleum  
4       products, as defined in section 16a-22c, on a wholesale basis who has  
5       sufficient [advance] knowledge of an impending shortage in the  
6       availability of petroleum products, as defined in section 16a-22c, or  
7       any officer or manager of a firm or corporation engaged in such  
8       business who has such [advance] knowledge, shall cause to be given  
9       immediate written notice [at least thirty days in advance] of any  
10      possible inability as a result of such shortage to deliver petroleum  
11      products, as defined in section 16a-22c, to [a] the Secretary of the Office  
12      of Policy and Management and to each retail oil dealer engaged in the  
13      business of supplying petroleum products, as defined in section 16a-  
14      22c, for residential heating that such person, firm or corporation



15 customarily supplies with petroleum products, as defined in section  
16 16a-22c, on a wholesale basis. No such person engaged in the business  
17 of selling petroleum products, as defined in section 16a-22c, on a  
18 wholesale basis and no such officer or manager shall discriminate, in  
19 the percentage of supplies delivered, against independent retail oil  
20 dealers in favor of dealers affiliated with such supplier.

21 (b) Any person engaged in the business of distributing or selling  
22 petroleum products, as defined in section 16a-22c, on a wholesale basis  
23 who intends to terminate the supply of petroleum products, as defined  
24 in section 16a-22c, to a retail dealer shall give written notice at least  
25 fourteen days in advance of such termination to the retail dealer, the  
26 municipality or municipalities in which the retail dealer distributes  
27 and the Secretary of the Office of Policy and Management concerning  
28 such proposed termination of supply.

29 [(c) Any person, firm or corporation who violates the provisions of  
30 this section shall be fined five hundred dollars for each violation.]

31 (c) Any violation of this section shall be deemed an unfair or  
32 deceptive trade practice under subsection (a) of section 42-110b.

**ET Committee Vote:** Yea 16 Nay 0 JF C/R JUD

**JUD Committee Vote:** Yea 40 Nay 0 JF



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** See Explanation Below

**Affected Agencies:** Office of Policy and Management,  
Department of Consumer Protection

**Municipal Impact:** None

**Explanation****State Impact:**

The bill requires certain persons with knowledge of an impending oil shortage to provide immediate written notice to the Secretary of the Office of Policy and Management. It is anticipated that receiving these written notices will result in no fiscal impact to the agency.

A violation of provisions of this bill is deemed an unfair trade practice. Under the Unfair Trade Practices Act, the Department of Consumer Protection (DCP) has two methods for resolving complaints, 1) formal administrative hearings; or 2) forwarding the complaint to the Attorney General's office for litigation. If most of the cases are handled administratively by DCP, the workload increase to the Office of the Attorney General is expected to be minimal and can be handled within the agency's anticipated budgetary resources. Under the Unfair Trade Practices Act, civil penalties can be imposed for violations, the extent of the additional revenue cannot be determined, as it would depend upon the number of violations which



occurred and the amount of the penalties that are imposed. There would be a minimal workload increase for the DCP associated with increased consumer inquiries and complaints and the possible hearings as a result of this bill. This, along with other minimal cost bills, could cause the Department of Consumer Protection to go beyond the anticipated budgetary resources of the agency.



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**OLR Bill Analysis**

HB 5750

**AN ACT CONCERNING OIL SUPPLY SHORTAGES.****SUMMARY:**

By law, petroleum wholesalers must notify the retail dealers they normally supply when the wholesaler knows of an impending shortage. This bill requires the wholesalers to provide notice immediately, rather than at least 30 days in advance of the shortage. It also requires wholesalers to notify the secretary of the Office of Policy and Management (OPM).

By law, a wholesaler that intends to stop supplying a dealer must provide at least 14 days advance notice to the dealer, the municipalities in the dealer's service area, and OPM. The bill specifies that the last notice goes to the OPM secretary.

The bill makes violation of the notice requirements an unfair or deceptive trade practice, rather than subjecting the violator to a \$500 fine. It also makes minor changes.

EFFECTIVE DATE: October 1, 2000

**BACKGROUND*****Unfair Trade Practices***

Under the Unfair Trade Practices Act, the consumer protection commissioner may investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, accept voluntary statements of compliance, and issue regulations defining what constitutes an unfair trade practice. The act also allows individuals to bring suits. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and



impose civil penalties of up to \$5,000 for wilful violations and up to \$25,000 for violating restraining orders.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Change of Reference

Yea 16      Nay 0

Judiciary Committee

Joint Favorable Report

Yea 40      Nay 0